

REMARKS**I. INTRODUCTION**

Claim 27 has been cancelled. Each of the pending claims have been renumbered to overcome the claim objections. In addition, claims 23, 26 and 31 have been amended to more particularly point out and distinctly claim the subject matter of the present invention. No new matter added has been added. Thus, claims 16-26 and 28-32 are pending in the present application. In view of the above amendments and the following remarks, it is respectfully submitted that all of the presently pending claims are allowable.

II. THE CLAIM OBJECTIONS SHOULD BE WITHDRAWN

Claims 16-31 from pages 2-4 of the amendment mailed April 14, 2004 were misnumbered. The previous claims 16-31 have been renumbered 17-32 in accordance with 37 CFR 1.126 which requires the original numbering of the claims to be preserved throughout the prosecution. Accordingly, claims 16-32 are now correctly numbered, and it is respectfully submitted that the Examiner withdraw his objections to these claims.

The Examiner has objected to claims 23 and 31 which are directed to customer input which comprises "a biometric." The Examiner has suggested that "a biometric" be replaced with "a biometric reader." (See 7/29/04 Office Action, para. 2, page 2). However, claims 23 and 31 have been amended to recite "a biometric data." Biometric data (e.g., fingerprints, retinal images, facial features, etc.) can be readable by a biometrics sub-system, which may be included in an iPOS transaction terminal according to the present invention. (See Specification, page 8, lines 22-23). The customer input can be biometric data, not a biometric reader. In view of the amendments to claims 23 and 31, it is respectfully submitted that these claims have been further clarified, and the Examiner should withdraw his objections to these claims.

III. THE 35 U.S.C. § 102(e) REJECTIONS SHOULD BE WITHDRAWN

The Examiner has rejected claims 16-19, 24-27 and 32 under 35 U.S.C. § 102(e) as anticipated by U.S. Pat. No. 6,070,147 to Harms et al. ("the Harms patent"). (See 7/25/04 Office Action, para. 4, page 2).

The Harms patent describes a system for administering a loyalty marketing program by using a government-issued identification card as a frequent buyer redemption card. (See the Harms patent, Abstract). In the system, a cash register is connected to a credit card reader and an identification terminal. (See the Harms patent, col. 4, lines 29-46). Once a total is entered into the cash register, the credit card information of a consumer is obtained by the credit card reader, and the consumer enters his identification card into the identification terminal. (See the Harms patent, col. 5, lines 48-67; col. 6, lines 1-3). Identification, credit card and purchase total information are forwarded to a central processing system via a communications device. (See the Harms patent, col. 6, lines 40-57). While the transaction is being processed, the identification terminal can display messages to the consumer regarding his loyalty program status, i.e., bonus point balance, discounts available, advertisements. (See the Harms patent, col. 11, lines 15-21, 44-60). The described loyalty program includes issuing gift certificates, travel/merchandise vouchers, discounts or cash. (See the Harms patent, col. 11, lines 22-35).

Claim 16 of the present application is directed to a method for conducting a transaction using a cashier-side unit and a customer-response unit, which includes the step of "communicating a monetary amount of the transaction from the cashier-side unit to the customer-response-unit." According to the present specification, a cashier will enter a dollar amount of a transaction using the cashier-side unit. (See Specification, page 9, lines 22-24). The cashier-side unit can transfer the dollar amount information to the customer-response unit. (See Specification, page 9, lines 22-23). The customer-response unit, which includes a communications link, transmits the received dollar amount information to a remote payment processor for authorization. (See Specification, page 9, lines 22-24).

The Examiner states that the Harms patent discloses the step of "communicating a monetary amount of the transaction from the cashier-side unit to the customer-response-unit," as recited in claim 16. However, the Harms patent discloses that the register compiles collected purchase information (i.e., time, date, credit card number, items, prices) into a purchase data record that is forwarded to the communications device. (See the Harms patent, col. 6, lines 1-3, 17-20). Simultaneously, the identification terminal compiles an identification data record and forwards it to the communications device, where it is combined with the purchase data record to form a marketing data record. (See the Harms patent, col. 6, lines 17-22). At no point does the Harms patent disclose or suggest that a monetary amount is communicated from the register to the identification terminal. In fact, there is no disclosure in the Harms patent that relates to any transfer of information between the identification terminal and the register. Even in the embodiment which combines the credit card reader and the identification terminal into a singular device, only the credit card and/or identification information is transferred from the reader/terminal to the register, and no monetary amount is transferred from the register to the reader or terminal. (See the Harms patent, col. 5, lines 1-5). Therefore, it is respectfully submitted that the Harms patent does not disclose or suggest the step of "communicating a monetary amount of the transaction from the cashier-side unit to the customer-response unit," and, as such, the Examiner should withdraw his rejection of this claim.

In view of the above remarks, it is respectfully submitted that claims 17-19, 24 and 25, which depend from and, therefore, include the limitations of claim 16, are allowable for at least the reasons stated above. Furthermore, independent claim 32, which includes substantially the same limitations as claim 16 including "receiving a monetary amount of the transaction from the cashier-side unit," should be allowable for the reasons stated above.

As noted above, the Examiner has rejected claim 26 under 35 U.S.C. § 102(e) as anticipated by the Harms patent. (See 7/25/04 Office Action, para. 4, page 2).

As amended, claim 26 is directed to a system for conducting a transaction which includes

a cashier-side unit, a consumer-response unit, and "an electronics receipts service for storing a record of the transaction." The electronics receipts service may provide a consumer with the ability to manipulate a record of the transaction (e.g., viewing, retrieving, forwarding, printing, etc.). (See Specification, page 7, lines 5-10). The Examiner states that the Harms patent discloses such an electronic receipts service where it states that "'some of these terminals are capable of printing receipts of the transaction.'" (See 7/25/04 Office Action, para. 4, page 4). Clearly, the printing capability of some of the terminals described in the Harms patent cannot be confused with "an electronic receipts service," as recited in claim 26. The terminals only print the record of the instantaneous transaction. Thus, the terminals are providing only a paper record of the transaction and any loyalty program information that has been transmitted. Therefore, it is respectfully submitted that the Harms patent does not disclose or suggest a system for conducting a transaction which includes "an electronics receipts service for storing a record of the transaction," and, as such, the Examiner should withdraw his rejection of this claim.

IV. THE 35 U.S.C. § 103(a) REJECTIONS SHOULD BE WITHDRAWN

The Examiner has rejected claims 21-23 and 29-31 under 35 U.S.C. § 103(a) as unpatentable over the Harms patent in view of the U.S. Pat. No. 6,431,439 to Suer et al. ("the Suer patent"). (See 7/25/04 Office Action, para. 6, page 4).

In view of the above remarks, it is respectfully submitted that claims 21-23 and 29-31, which depend from and include the limitations of claim 16 and 26, respectively, are allowable at least for the reasons stated above.

The Examiner has rejected claims 20 and 28 under 35 U.S.C. § 103(a) as unpatentable over the Harms patent in view of U.S. Pat. Application 2002/0046082 to White ("the White application"). (See 7/25/04 Office Action, para. 7, page 5).

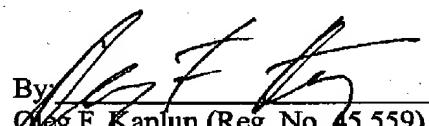
In view of the above remarks, it is respectfully submitted that claims 20 and 28, which

depend from and include the limitations of claims 16 and 26, respectively, are allowable at least for the reasons stated above.

V. **CONCLUSION**

In light of the foregoing, Applicants respectfully submit that all of the now pending claims are in condition for allowance. All issues raised by the Examiner having been addressed, and an early and favorable action on the merits is earnestly solicited.

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